Proposed Amendment to the Once-Through Cooling Policy – Encina Power Station

August 15, 2017

Item #3

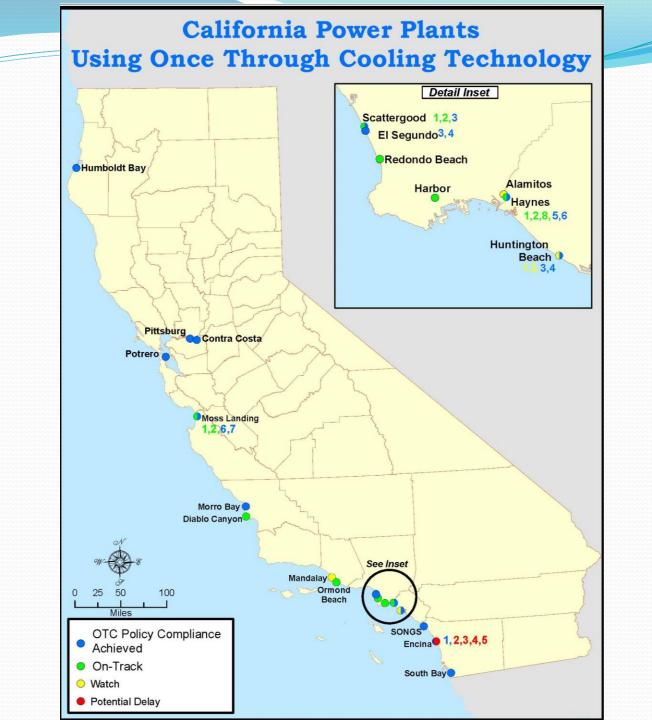
State Water Resources Control Board
Division of Water Quality
Michael W. Gjerde
Ocean Standards Unit



ONCE-THROUGH COOLING POLICY

- The OTC Policy
 - Requires power plants to reduce OTC water by 93% or more to protect aquatic life
 - Impacted 19 coastal power plants which use OTC
 - Requires implementation plans to achieve compliance over the period from 2010 to 2029
 - Requires SACCWIS annual review to ensure grid reliability





ENCINA POWER STATION

- Encina five OTC units with an aggregate capacity of 950 MW
 - Current compliance date is December 31, 2017
 - Unit 1 retired early on March 1, 2017 (106 MW)
 - Units 2 through 5 remaining (844 MW)
- Need for compliance extension
 - San Onofre retired unexpectedly on June 7, 2013
 - Carlsbad Energy Center
 - Previously expected to replace Encina by end of 2017
 - Legal challenges delayed completion date to fourth quarter of 2018
 - CEC publically noted the potential energy gap on August 29, 2016



AMENDMENT TO POLICY

• Extend the OTC compliance deadline for the Encina Power Station Units 2 through 5 from December 31, 2017, to December 31, 2018



UPDATES AND OPPORTUNITIES FOR PUBLIC COMMENTS

- Robust public process through
 - SACCWIS reports and meetings
 - Board meetings
 - Public Notice
 - Written comment period May 23, 2017 to July 7, 2017
 - Received two comment letters
 - Responses to comments are online







COGENTRIX PUBLIC COMMENTS

- Comments
 - Does not oppose the OTC extension for Encina
 - Requests other non-OTC power generators be used to reduce the need for OTC Encina in 2018

Response

- The alternatives analyses assessed all facilities and extending Encina compliance deadline for Units 2-5 is a prudent option to ensure grid reliability
- The allocation and procurement of power capacity during 2018 will be subject to the CPUC resource adequacy process and CAISO contracting



COGENTRIX PUBLIC COMMENTS

- Comment
 - Requests that Encina install a variable speed pump on the water intake system
- Response
 - The Encina owner/operator has chosen to repower
 - Extension is only to ensure grid reliability
 - One-year extension does not require installation of variable speed pumps given the intention to eliminate all OTC at Encina
 - Interim mitigation payments will address impacts



COASTKEEPER PUBLIC COMMENTS

Comments

- They do not oppose the one-year extension
- Requests an explicit statement in the record that Encina will not continue to intake seawater for Poseidon-Carlsbad Desalination Project (Poseidon CDP) after the Carlsbad Energy Center becomes operational

Response

- An explicit statement is not necessary due to the following:
 - The Poseidon CDP is currently authorized to withdraw additional source water above that required for Encina operation by San Diego Water Board Order No. R9-2006-0065
 - The San Diego Water Board currently is in the process of drafting the NPDES permit for permanent stand-alone operations for Poseidon CDP



STAFF RECOMMENDATION

 Adopt the Encina Power Station amendment to the OTC Policy to extend the compliance date from December 31, 2017, to December 31, 2018 on Units 2 through 5



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ENCINA POWER STATION

